

CITY OF FARMINGTON RETIREE HEALTH CARE FUND
December 2, 2013

A special meeting of the Farmington Retiree Health Care Fund Board of Trustees was held on Monday, December 2, 2013 at Farmington City Hall, Conference Room A, 23600 Liberty Street, Farmington, Michigan. Notice of the meeting was posted in compliance with Public Act 267-1976.

The meeting was called to order at 6:04 p.m. by Trustee Pastue.

PRESENT: Galvin, Pastue, Weber.

ABSENT: None.

OTHERS PRESENT: None

CONSIDERATION OF RESOLUTION SPECIFYING THE MANNER IN WHICH THE CITY'S CONTRIBUTION OF LIMITED TAX GENERAL OBLIGATION BOND PROCEEDS WILL BE DEPOSITED.

Motion by Galvin, seconded by Weber, to adopt a resolution specifying the manner in which the City's contribution of Limited Tax General Obligation Bond proceeds will be deposited. [SEE ATTACHED RESOLUTION]. MOTION CARRIED UNANIMOUSLY.

DISCUSSION: MEETING FOR MID DECEMBER

Discussion took place regarding scheduling a quarterly meeting in mid December. In addition to addressing quarterly items at the meeting, the Board will also discuss investment strategy for the City contribution of LTGO bond proceeds. Several dates were identified. Trustee Weber to coordinate with Morgan Stanley.

MISCELLANEOUS:

PUBLIC COMMENTS

No public comments were heard.

TRUSTEE COMMENTS

No trustee comments were heard.

ADJOURNMENT:

The Board of Trustees concurred to adjourn.

Meeting adjourned at 6:24 p.m.

Christopher M. Weber, Administrator

APPROVED: December 12, 2013

RESOLUTION

CITY OF FARMINGTON RETIREE HEALTH CARE FUND BOARD OF TRUSTEES

A RESOLUTION OF THE FARMINGTON RETIREE HEALTH CARE BOARD OF TRUSTEES SPECIFYING THE MANNER IN WHICH THE CITY'S CONTRIBUTION OF LIMITED TAX GENERAL OBLIGATION BOND PROCEEDS WILL BE DEPOSITED.

The following resolution was offered by Trustee Galvin and supported by Trustee Weber:

WHEREAS, the City of Farmington will be issuing \$7.91 Million in Limited Tax General Obligation Bonds (LTGO Bonds) to fund the City's accrued retiree health care liability as of June 30, 2013; and

WHEREAS, the closing for the LTGO Bonds is scheduled for December 3, 2013 at 10:00 a.m.; and

WHEREAS, at the closing \$7,777,060 of the LTGO Bond proceeds will be contributed by the City to the Retiree Health Care Plan Irrevocable Trust; and

WHEREAS, it is necessary to develop a plan for the investment of these bond proceeds; and

WHEREAS, it is recommended by the Board's investment advisor: Morgan Stanley, that the proceeds initially be deposited in a cash account and then invested over a period of months in order to protect the balance against an anticipated downward adjustment in the investment market; and

WHEREAS, it is anticipated that the Board will meet again in mid-December 2013 to further refine this strategy with the investment advisor.

NOW, THEREFORE BE IT RESOLVED that the bond proceeds contributed by the City on December 3, 2013 will be deposited in the City of Farmington Retiree Health Care Bond Proceeds Account to be held in cash; and,

BE IT FURTHER RESOLVED that the Board will meet in mid-December to review the investment consultant's recommendation to rebalance existing accounts and to consider a resolution that will formalize the investment strategy to protect the balance of the bond proceeds in light of the anticipated market adjustment.

ROLL CALL

Ayes: Galvin, Pastue, Weber.

Nays: None.

Absent: None.

RESOLUTION DECLARED ADOPTED.

I, Christopher M. Weber, duly authorized Secretary for the City of Farmington Retiree Health Care Fund, do hereby certify that the foregoing is a true and correct copy of a resolution adopted by the Farmington Retiree Health Care Fund Board of Trustees at a meeting held on Monday, December 2, 2013 in the City of Farmington, Oakland County, Michigan.

Christopher M. Weber, Secretary